

Name	Federal Employer ID Number
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<b>1</b> Enter amount of tax credits authorized by the Department of Commerce . . . . .	<b>1</b>	
<b>2</b> Enter economic development tax credit passed through from other entities . . . . .	<b>2</b>	
<b>3</b> Add lines 1 and 2. This is your 2010 economic development tax credit . . . . .	<b>3</b>	
<b>3a</b> Fiduciaries - Enter the amount of credit allocated to beneficiaries. . . . .	<b>3a</b>	
<b>3b</b> Fiduciaries - Subtract line 3a from line 3. . . . .	<b>3b</b>	
<b>4</b> Carryover of unused economic development tax credit. . . . .	<b>4</b>	
<b>5</b> Add lines 3 and 4 (lines 3b and 4 if fiduciary). This is the available economic development tax credit . . . . .	<b>5</b>	

**Instructions for 2010 Schedule ED**

**Purpose of Schedule ED**

Use Schedule ED to claim the economic development tax credit, which is available for taxpayers who are certified by the Department of Commerce. For information regarding how to become certified, visit the Department of Commerce web site at [www.commerce.wi.gov](http://www.commerce.wi.gov) or write to the Wisconsin Department of Commerce, PO Box 7970, Madison, WI 53707-7970.

**Who is Eligible to Claim the Credit**

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that is certified by the Department of Commerce may be eligible for the credit.

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credits, but the credits attributable to the entity's business operations pass through to the partners, members, or shareholders.

No credit is allowed unless the claimant satisfies the following requirements:

- The claimant is certified by the Department of Commerce.

- The claimant has received from the Department of Commerce a notice of eligibility to receive tax benefits that reports the amount of tax benefit for which the claimant is eligible.

**Specific Line Instructions**

**Line 1:** Enter the amount of tax benefits reported on the notice of eligibility received from the Department of Commerce.

**Line 2:** Enter the amount of economic development tax credit passed through from tax-option (S) corporations, partnerships, LLCs treated as partnerships, estates, or trusts. The pass-through credit is shown on Schedule 5K-1 for shareholders of tax-option (S) corporations, Schedule 3K-1 for partners and LLC members, and Schedule 2K-1 for beneficiaries of estates or trusts.

**Line 3:** For estates or trusts, tax-option (S) corporations, partnerships, and LLCs treated as partnerships, show the entire amount of credit on line 3 and prorate that amount among the beneficiaries, shareholders, partners, or members on Schedule 2K-1, 5K-1, or 3K-1.

**Line 3a: *Fiduciaries*** - Prorate the credit from line 3 between the entity and its beneficiaries in proportion to the income allocable to each. Show the beneficiaries' portion of the credit on line 3a. Show the credit for each beneficiary on Schedule 2K-1.

**Line 3b: *Fiduciaries*** - Show only the entity's portion of the credit on line 3b.

**Line 5:** Enter the amount of credit from line 5 on line 13 of Schedule CR. See the following exceptions:

- If the claimant is a combined group member, enter the amount of credit on Form 4M instead of Schedule CR.
- Tax-option (S) corporations, partnerships, and LLCs treated as partnerships should prorate the amount of credit on line 5 among the shareholders, partners, or members based on their ownership interest. Show the credit for each shareholder on Schedule 5K-1 and for each partner or member on Schedule 3K-1.

### **Credit is Income**

The credit you compute on Schedule ED is income and must be reported on your Wisconsin franchise or income tax return in the year computed.

### **Required Attachments to Return**

File your completed Schedule ED with your Wisconsin franchise or income tax return. Also, include a copy of your certification to claim tax benefits and the notice of eligibility that reports the amount of tax benefits that you obtain from the Department of Commerce. Shareholders of tax-option (S) corporations, partners of partnerships, members of LLCs treated as partnerships, and beneficiaries of estates or trusts must file a copy of

Schedule 5K-1, 3K-1, or 2K-1, as appropriate, with Schedule ED instead of the certification to claim tax benefits and notice of eligibility.

### **Carryforward of Unused Credits**

The economic development tax credit is nonrefundable. Any unused credits may be carried forward for 15 years, with certain exceptions.

If your certification to claim this credit is revoked or you become ineligible for tax benefits, you may not claim any credits for the taxable year in which your benefits are revoked, nor may you carry over unused credits from previous years.

If there is a reorganization of a corporation claiming an economic development tax credit, the limitations provided by the Internal Revenue Code (IRC) section 383 may apply to the carryover of any unused credits.

### **Additional Information**

For more information, you may:

- E-mail your question to [corp@revenue.wi.gov](mailto:corp@revenue.wi.gov)
- Call (608) 266-2772 [TTY: Call the Wisconsin Telecommunications Relay System at 711, if no answer, dial 1-800-947-3529]
- Send a FAX to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, PO Box 8906, Madison, WI 53708-8906.